

St. Saviour's Church of England Junior Anti-Fraud and Corruption Policy

St Saviour's Church of England Junior School

Policy:	Anti-Fraud and Corruption Policy
Review Period:	Annual
Ratified by Governing Body:	Reviewed and ratified February 2023
Date of next review:	February 2024

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St. Saviour's Church of England Junior School

ANTI-FRAUD, BRIBERY AND CORRUPTION POLICY AND STRATEGY

SECTION A: INTRODUCTION

1 Introduction

Fraud, bribery, corruption or other dishonesty adversely affect the school's reputation and put at risk its ability to achieve its policies and objectives by diverting the school's limited resources from the provision of education to its pupils

St. Saviour's Church of England Junior School will not, therefore, tolerate fraud, bribery or corruption in any area of school activity.

2 What are Fraud, Bribery and Corruption?

Fraud

The Fraud Act 2006 came into force on 15th January 2007. The Act created a single offence of fraud and defined this in three classes:

- False representation.
- Failure to disclose information where there is a legal duty to do so.
- Abuse of position.

The Act also created four new offences of:

- Possession of articles for use in fraud.
- Making or supplying articles for use in fraud.
- Obtaining services dishonestly.
- Participating in fraudulent business.

The Chartered Institute of Public Finance and Accountancy (CIPFA)*¹ defines fraud as:

"the intentional distortion of financial statements or other records by persons internal or external to the organisation which is carried out to conceal the misappropriation of assets or otherwise for gain."

Fraud is different to theft, which is defined in the 1968 Theft Act as:

'A person shall be guilty of theft if he dishonestly appropriates property belonging to another with the intention of permanently depriving the other of it'.

Bribery

A bribe is:

"A financial or other advantage that is offered or requested with the intention of inducing or rewarding the improper performance of a relevant function or activity, or with the knowledge or belief that the acceptance of such an advantage would constitute the improper performance of such a function or activity" [CIPFA].

There are various Bribery offences, including offering or accepting a bribe (Sections 1 and 2 of the Bribery Act 2010), bribing or attempting to bribe a foreign official (Section 6) and being a

¹ CIPFA is the professional accountancy organisation representing the public sector

commercial organisation failing to prevent bribery (Section 7). While Kent County Council is not a 'commercial organisation' for its normal activities, it is still considered appropriate for it to have regard to Guidance relating to the Bribery Act.

Corruption

Corruption is:

"The offering, giving, soliciting or accepting of any inducement or reward which would influence the actions taken by the body, its members or officers."

The term "fraud" is used throughout this document. For the purposes of the document the term also includes theft, bribery and corruption.

3 Purpose of this Document

The purpose of this document is to confirm the school's commitment to preventing and detecting fraud, bribery and corruption.

The Policy Statement identifies the school's overall stance relating to fraud and its expectations.

4 Scope of this Document

The Anti-Fraud, Bribery and Corruption Policy and Strategy document applies to Governors and all employees (full time, part time, temporary and casual) of the school.

5 Responsibility for this Document

The Governing Body has overall responsibility for the maintenance and operation of this Policy.

6 Review

The school maintains a continuous overview of its arrangements for managing the risk of fraud. A regular review of the Policy is carried out and the documents are revised as appropriate to reflect any key changes and to incorporate current best practice.

In assessing the effectiveness of its arrangements, the school will consider the extent to which:

- key personnel are trained in detecting and investigating fraud,
- identified incidents are investigated,
- perpetrators are robustly dealt with,
- the school responds to identified weaknesses in its systems and controls,
- there is any trend in incidents experienced,
- perpetrators are prosecuted,
- recovery of losses is sought.

SECTION B: ANTI-FRAUD, BRIBERY AND CORRUPTION POLICY STATEMENT

St. Saviour's expects all Governors, employees and those acting as its agents to conduct themselves in accordance with the seven principles of public life defined by the Nolan Committee 1995. The seven principles are:

- Honesty - Holders of public office have a duty to declare any private interests relating to

their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest

- Integrity - Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might influence them in the performance of their official duties
- Selflessness - Holders of public office should take decisions solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family, or their friends
- Objectivity - In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit
- Openness - Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands
- Accountability- Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office
- Leadership - Holders of public office should promote and support these principles by leadership and example.

The school requires Governors and employees at all levels to lead by example in adhering to legal requirements, financial rules, contract procedure rules, codes of conduct, and prescribed procedures and practices.

The school requires Governors, Headteacher and other senior staff to design and operate systems and procedures that will minimise losses due to fraud, bribery, corruption and other dishonest action.

The school expects Governors, Headteacher and employees to be alert to the possibility of fraud, bribery and corruption in all their dealings.

The school will provide clear routes by which concerns can be raised internally by Governors, Headteacher and employees, and externally by other stakeholders and the public. If any stakeholder has a concern, they should report this initially to the headteacher. In instances where it may be felt the headteacher might not take impartial action, the matter should be referred to the Chair of Governors. If the matter concerns governance, Marisa White (East Kent Education Officer) should be contacted on 03000 41 87 94.

The school will not tolerate fraud. Employees found to be defrauding the school face dismissal under the disciplinary process. Employees and any other parties defrauding the school e.g. claimants or contractors will have their cases referred to the Police.

Roles and Responsibilities (Leadership and Management)

The responsibility for anti-fraud arrangements is widely dispersed. Governors have to give clear support to the school's arrangements. The school's Governing Body and Headteacher must provide strong leadership by advocating the school's arrangements and supporting strong action when these are ignored.

The Governing Body are responsible for ensuring there are strong and effective arrangements in place for managing the risk of fraud and ensuring the school's interests are safeguarded, including its reputation. Risk is managed through the existence and application of appropriate policies and procedures.

Other parties have a range of responsibilities and actions to carry out. A full list of respective responsibilities can be found in the Appendix .

Policy and Strategy

This document contains and explains the school's Policy and Strategy.

Procedures / deterring fraud

The wide range of procedures in place to minimise the risk of fraud constitute a major part of the school's system of Internal Control, which is designed to ensure the school conducts its business properly and effectively and completes its transactions fully, accurately and properly.

The school aims to have in place efficient and effective systems of control that as far as possible prevent potential fraudsters from exploiting weaknesses. The prime responsibility for maintaining such systems lies with the Headteacher. Support is given by the KCC's Internal Audit Team, which provides an independent appraisal of the integrity of all internal control systems.

Key Procedures and Controls

The following key procedures and controls operate within the school:-

- a. The school has an effective Anti-Fraud, Bribery and Corruption Policy and Strategy, and maintains a culture that will not tolerate fraud, bribery or corruption
- b. Governors and employees comply with the Finance Policy
- c. A Register of Interests is maintained to enable Governors and employees to record any financial or non-financial interests that may bring about conflict with the school's interests
- d. Confidential Reporting (Whistle blowing) procedures are in place and operate effectively
- e. Suitable and enforced financial and contract procedure rules are in place
- f. There are robust recruitment and selection procedures
- g. There are clear and active disciplinary arrangements
- h. Sanctions are pursued against those who commit fraud, bribery and corruption through an agreed prosecutions and civil recovery policy.

The school is fully committed to ensuring that the examples of best practice indicated above are an integral part of its operations.

Deterring fraud

The school uses a number of ways to deter potential fraudsters from committing or attempting fraudulent or corrupt acts (including bribery) whether they are inside and / or outside of the school,

including:-

- Publicising at every opportunity the school's determination to prevent and detect fraud, bribery and corruption e.g. clause in contracts,
- Acting robustly and decisively when fraud, bribery and corruption are suspected and proven – e.g., the termination of contracts, dismissal, prosecution etc.
- Taking action to recover any losses through fraud – e.g. through agreement, Court action, penalties, insurance etc.
- Having sound internal control systems, which allow for innovation while limiting opportunities for fraud, bribery and corruption.

Detection and Investigation

It is the responsibility of Governors, Headteacher and employees to prevent and help detect fraud, bribery and corruption. In high risk areas, the Governing Body and Headteacher will specifically apply controls aimed at preventing and detecting frauds.

DO:

- ✓ Make an immediate note of all relevant details. Include date and time of the event, record of conversations (including telephone), names of persons present (or description if the name is not known), vehicle details where appropriate e.g. type, colour, registration etc.
- ✓ Report your suspicions as rapidly as possible together with the relevant details to an appropriate level of authority and experience. This can either be your line manager, the Chair of Governors (Graham Neve), Marisa White (East Kent Education Officer) or the Finance Dept. at KCC

KCC would prefer you not to provide information anonymously as it may be necessary for you to provide further information. However, all anonymous information that is received will be investigated.

All reported suspicions will be dealt with sensitively and confidentially.

DO NOT:

- ✗ Confront or accuse anyone directly.
- ✗ Try to investigate the matter yourself.
- ✗ Discuss your suspicions with anyone else other than the appropriate level of authority.
- ✗ Be afraid to report a matter on the basis that your suspicions may be groundless; all reports will be treated on the basis that they are made in good faith.

Reporting and Monitoring

Governors and the Headteacher have a duty to inform KCC of any potential fraud, bribes, corruption or other suspected irregularities.

The Headteacher will ensure that a log is maintained of all reported incidents at the school.

A decision will then be made as to who is best placed to investigate any concerns raised. The investigating officer also has the responsibility to report all findings to the Head of Internal Audit

3 Training

The school recognises that the success of its Anti-Fraud, Bribery and Corruption Policy and its general credibility depends significantly on the effectiveness of training, communication, and the

responsiveness of employees throughout the school. The school provides suitable induction and training programmes that ensure Governors and staff are kept up to date on the school's arrangements for managing the risk of fraud. These training programmes also ensure casual, temporary and agency staff are aware of the high standards of probity required by the school.

The investigation of small-scale fraud, bribery and corruption rests on a day to day basis with the Headteacher, and may include support from KCC finance.

4 Working with others to prevent and fight fraud

The school expects that the individuals and organisations with which it deals (e.g. partners, suppliers, contractors, and service providers) will act with integrity and without thought or actions involving fraud, bribery and corruption. Where relevant, the school will include appropriate clauses in its contracts about the consequences of fraud, bribery and corruption. Evidence of such acts is most likely to lead to a termination of the particular contract and will normally lead to prosecution.

5 Culture

The importance of a positive culture towards anti-fraud, bribery and corruption cannot be overstated. The effectiveness of the school's arrangements can be undermined by a culture that does not apply the public standards and supporting policies and procedures routinely on a day to day basis. Maintaining appropriate arrangements, continually advocating them and taking robust action where they are not applied all help to build the right underpinning culture.

The school will continue to assess the culture and ensure its actions to promote its arrangements provide a positive influence on the culture.

6 Raising Concerns

In accordance with the school's Whistleblowing Policy, anyone with any concerns about the school's activities should normally raise concerns through their immediate manager or senior management. However, it is recognised that this may not be possible or in the school's best interests in certain circumstances. In these cases, contact should be made with Marisa White (East Kent Education Officer) on 03000 41 87 94.

All concerns, reported by whatever method, will be treated in confidence and will be reviewed and investigated by the person deemed to be appropriate and best placed to do so. This may mean that, depending on the level, type and details of the concerns you raise, that your concerns are investigated by the school, Internal Audit Staff or in the case of very serious concerns, the External Auditor or the Police.

7 Referrals to the Police

Any referrals to the Police should be made only by or after consultation with the Finance office or Marisa White at KCC prior to any referral to the Police.

8 Sanctions and Redress

After any investigation, sanctions should be applied where fraud has been found to have been committed. The school will pursue criminal and civil action in a robust, consistent and proportionate manner. The school will pursue a range of options, as appropriate to each case, including:

- Recovery of pension contributions from employees who are members of the Pension Fund.
- Recovery from assets owned by an employee or third party found guilty of committing fraud.

- Filing for Bankruptcy where an individual has a poor history of paying.

ANTI-FRAUD, BRIBERY AND CORRUPTION POLICY AND STRATEGY

APPENDIX : RESPONSIBILITIES

Roles and Responsibilities

The Governing Body – will:-

- ✓ be responsible for the overall management arrangements of the school
- ✓ promote an organisational culture that accords with the Nolan Committee's 7 principles of public life
- ✓ ensure controls are put in place that minimise the risk of fraud
- ✓ develop and maintain an Anti-Fraud, Bribery and Corruption Policy.
- ✓ Promote and maintain high standards of conduct.

The Headteacher - will:-

- ✓ maintain adequate and effective internal control arrangements
- ✓ ensure that all suspected financial irregularities are reported to the Head of Internal Audit
- ✓ advise the Police where sufficient evidence exists to believe that a criminal offence may have been committed.

Senior Staff - will:-

- ✓ ensure that all suspected financial irregularities or financial impropriety brought to their attention are reported to the Headteacher and/or the Head of Internal Audit
- ✓ instigate the school's disciplinary procedures where the outcome of an investigation indicates improper behaviour.
- ✓ Implement and maintain effective control systems designed to prevent and detect fraud within their responsibility
- ✓ ensure all their staff are adequately trained on procedures and controls to be complied with
- ✓ ensure proper procedures are being followed
- ✓ follow prescribed recruitment procedures aimed at recruiting high quality and honest staff.

- ✓ investigate serious suspected financial irregularity and will liaise with managers to recommend changes in procedures to prevent further losses to the authority.
- ✓ consult with the Police or refer an investigation to them, as appropriate.

Employees - will:-

- ✓ uphold a positive anti-fraud, bribery and corruption culture
- ✓ always be alert to the possibility of theft, fraud and corruption occurring in the workplace and be aware of the mechanisms available for reporting such issues to management within the authority.
- ✓ comply with the Council's Code of Conduct together with any additional code relating to their professional qualifications.
- ✓ act in accordance with Kent School's Financial Regulations
- ✓ declare any interests and offers of gifts and hospitality that are in any way related to the performance of their duties of employment at the school
- ✓ make annual declarations of interest to enable the Headteacher to effectively manage situations where a conflict of interest may occur.